

SICO Kingdom Equity Fund

Fact Sheet - June 2014

NAV USD 16.67 ↓ 2.6%

Manager's Commentary

After a prolonged period of positive returns, the Saudi market experienced profit taking in June and the index declined by 3.2%. The Saudi market held up well during the first half of the month, but fell later on account of the heightened geopolitical situation in Iraq coupled with sharp declines in other GCC bourses. Nevertheless, for the month, the Saudi market remained resilient compared to other GCC bourses such as Dubai, Abu Dhabi and Qatar that fell more than 10% each. During the first six months of the year, the index has posted stable and steady returns and is up 11.5% for the year.

The NAV of your fund declined by 2.6% for the month and outperformed its benchmark. The fund benefited from its lower allocation to Etihad Etisalat which we had earlier reduced as its share price had reached close to its fair value. The stock declined by 12.2% in June on the surprise and vague announcement of the cancellation of its contract with Etihad Atheeb, which would dampen its full year earnings. Similarly, we did not have exposure to some of the highly speculative and retail oriented stocks such as Jabal Omer (-12.1%) and Saudi Kayan (-13.1%).

Given the start of Ramadan, we expect the markets to consolidate in the short term. However, second quarter earnings and dividend payouts would be crucial in determining the direction of the market. Considering this, we have positioned the fund by increasing our investments in stocks with high potential to report positive earnings surprise. In addition, we have continued to focus on defensive and high dividend yielding names that offer good medium to long term prospects.

Investment Objective

The primary objective of this Fund is to seek long-term capital appreciation. The Fund will aim to achieve this investment objective by primarily investing in equity securities listed in Saudi Arabia.

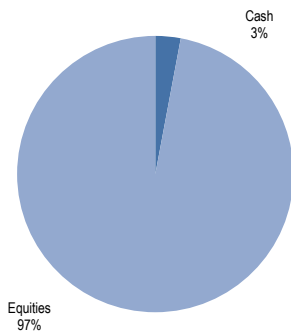
Returns (%)	Fund	Index*
June 2014	-2.6	-3.2
YTD 2014 (Jan—Jun)	14.8	11.5
2013	33.1	25.5
2012	8.7	6.0
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	1.9	0.4
Last 6 Months	14.8	11.5
Last 1 Year	26.5	26.9
Last 3 Years	63.0	44.7
Last 5 Years	NA	NA
Since Inception (Feb 11— Jun 14)	66.7	49.6

*Saudi Stock Exchange Index

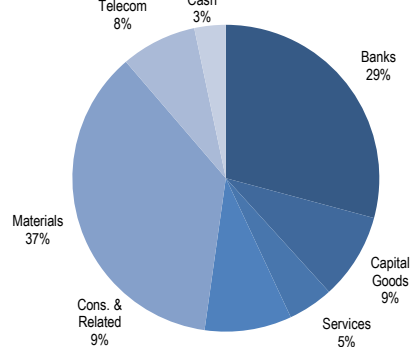
Fund Information

Launch Date	February 2011
Management Fee	1.5%
Subscription & Redemption	Weekly
Dealing Day	Wednesday
Subscription & Redemption Dead-line	Two Business days before dealing day
Minimum Subscription	USD 100,000
Bloomberg Code	SICOKEF BI Equity
Zawya Code	SICOKEQ.MF
Fund ISIN Code	BH00016X01B0
Custodian / Administrator	HSBC Bahrain

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	18.0	17.6
Price to Book Multiple Latest (x)	3.3	2.3
Return on Equity TTM (%)	18.1	13.1
Dividend Yield—2013 (%)	2.6	3.1
Number of Holdings	35	145
Annualized Return (%) - Last 3 years	17.7	13.1
Annualized Standard Deviation (%) - Last 3 years	9.2	9.5
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	66	66
Success Ratio (%)	61	NA
Maximum Drawdown-Peak to Trough (%)	11.6	12.2
Length of Drawdown (months)	4	3
Recovery from Maximum Drawdown (%)	76.1	59.1

Top Holdings

Name	Sector	(%)
SABIC	Materials	7.4
BUPA Arabia	Financials	5.1
Al Rajhi Bank	Financials	4.1

Risk Statistics (last 3 years)

Standard Deviation (%)	9.2
Sharpe Ratio	1.6
Tracking Error (%)	3.8
Information Ratio	1.2
Alpha (%)	5.7
Beta	0.9

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